

MONTANA HISTORICAL SOCIETY

AGENCY

SOCIETY CONTACTS

The Montana Historical Society Director and contact information is:

Title	Name	Phone Number	E-mail address
Director	Richard Sims	444-5458	rsims@mt.gov

WHAT THE SOCIETY DOES

The Montana Historical Society (MHS) exists for the use of learning, culture, and enjoyment of the citizens of, and visitors to, the State of Montana. The society acquires, preserves, and protects historical records, art, archives, museum objects, historical places, sites and monuments. The Society maintains a library and an historical museum, provides educational programs and services for teachers and the general public, and publishes the state historical magazines and books. The Society also administers preservation and antiquities acts, supports commissions with state historical orientation, and provides technical assistance to all Montana museums, historical societies, preservation programs, and owners of historical resources.

Statutory Authority for the Montana Historical Society

MCA 22-3-101-442

Museum Loan Act

MCA 22-3-501-523 Museum Loan Act

Local Management of Historic Sites and Buildings

MCA 22-3-601-603 Maintenance & Management of Historic Buildings

Montana Repatriation Act

MCA 22-3-901-921 Montana Repatriation Act

Capitol Complex Master Plan Act

MCA 2-17-801-813

Cultural & Aesthetic Grants

MCA 22-2-301-321

MCA 22-2-203 Rulemaking Authority. (1) The Montana historical society and the Montana Arts Council shall adopt rules that specify the criteria the advisory committee shall use when evaluating and making recommendations on cultural and aesthetic grant proposals submitted to the legislature.

Human Skeletal Remains and Burial Site Protection Act

MCA 22-3-801-811

Indian Education for All

MCA 20-1-501-503

Federal Laws

Native American Graves Protection and Repatriation Act (NAGPRA) - 1990.

To assure that museums who receive federal funds notify all tribes of the objects in the collection that are believed to have originated from their group. If tribes respond, they may begin the process of negotiating repatriation of any items that are 1) sacred; 2) objects that have cultural patrimony; 3) materials removed from burials; and 4) human remains.

HOW SERVICES ARE PROVIDED

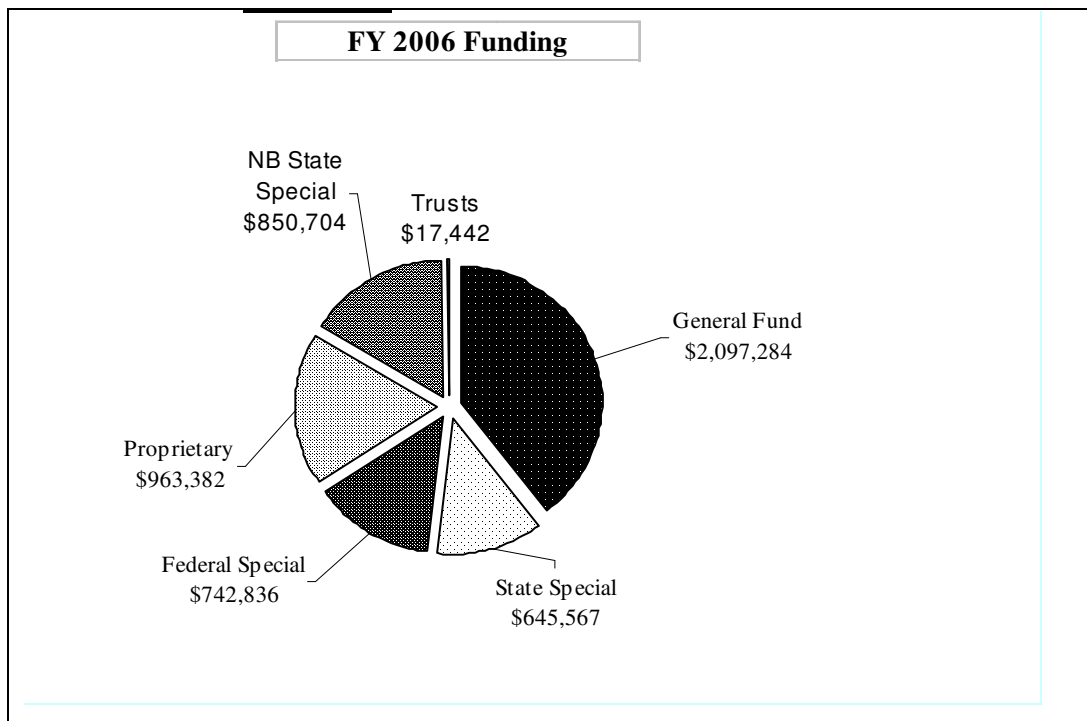
The Society is organized into five programs consisting of Administration, Library, Museum, Publications, and Historic Preservation with the following functions:

- Administration Program: provides supervision, administration, and coordination of the five programs.
- Library/Research Program: consists of the library, archives, and photo archives functions.
- Museum Program: collects, preserves, and interprets the history of Montana through its material culture.
- Publications Program: promotes the study of Montana history and education through lectures, publications and curriculum materials.
- Historic Preservation Program: administers the Montana Antiquities Act and participation in Federal Historic Preservation Act.

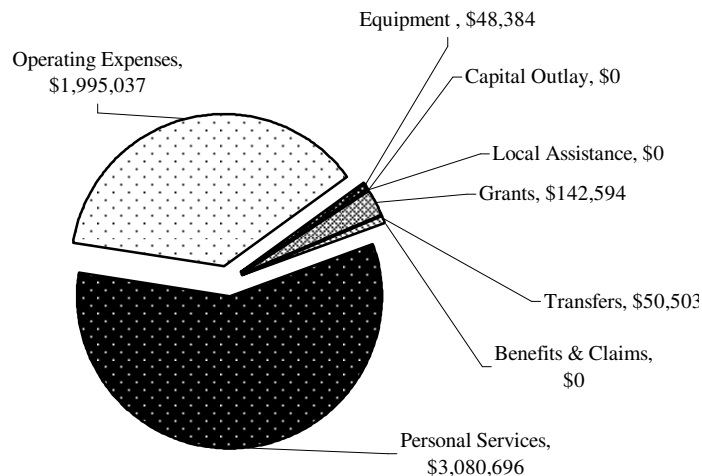
The Society has a total of 59.59 FTE.

Spending and Funding Information

The following figures show funding and expenditure information for FY 2006 for all sources of funding of the Society. Because the figures include all sources of funding there are no direct relationships between these figures and appropriation levels presented in the Budget Analysis for the 2007 Biennium.

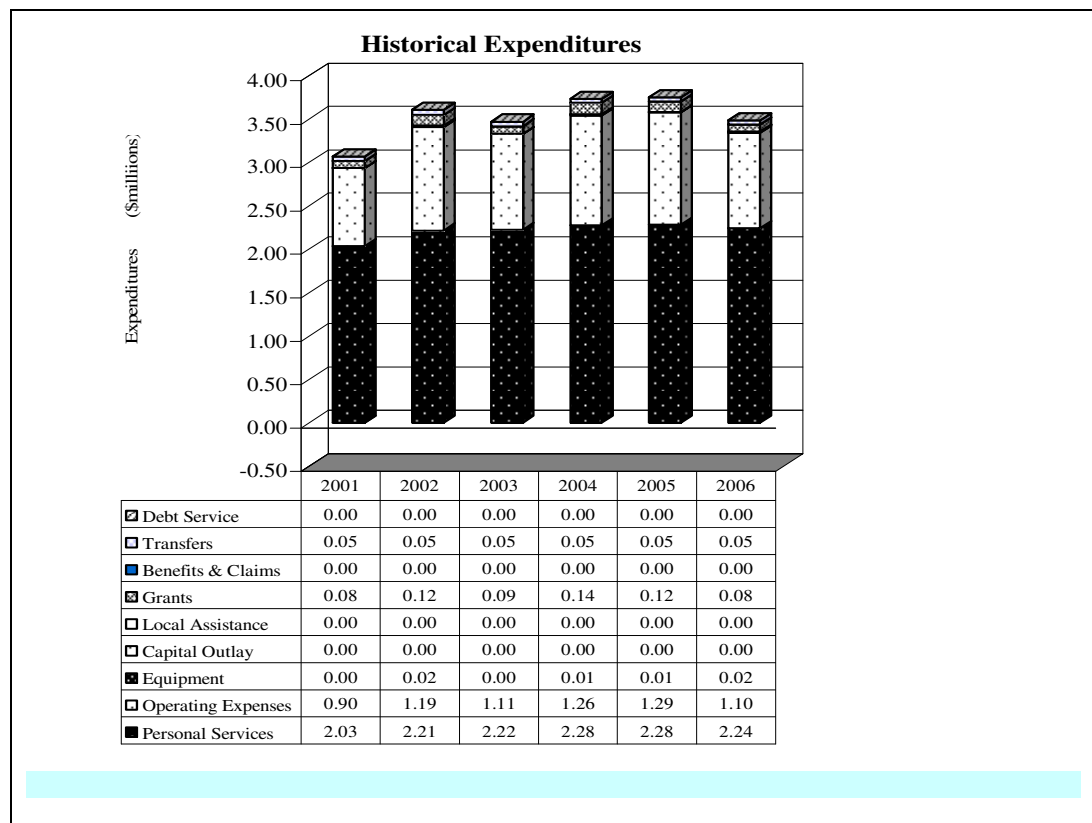
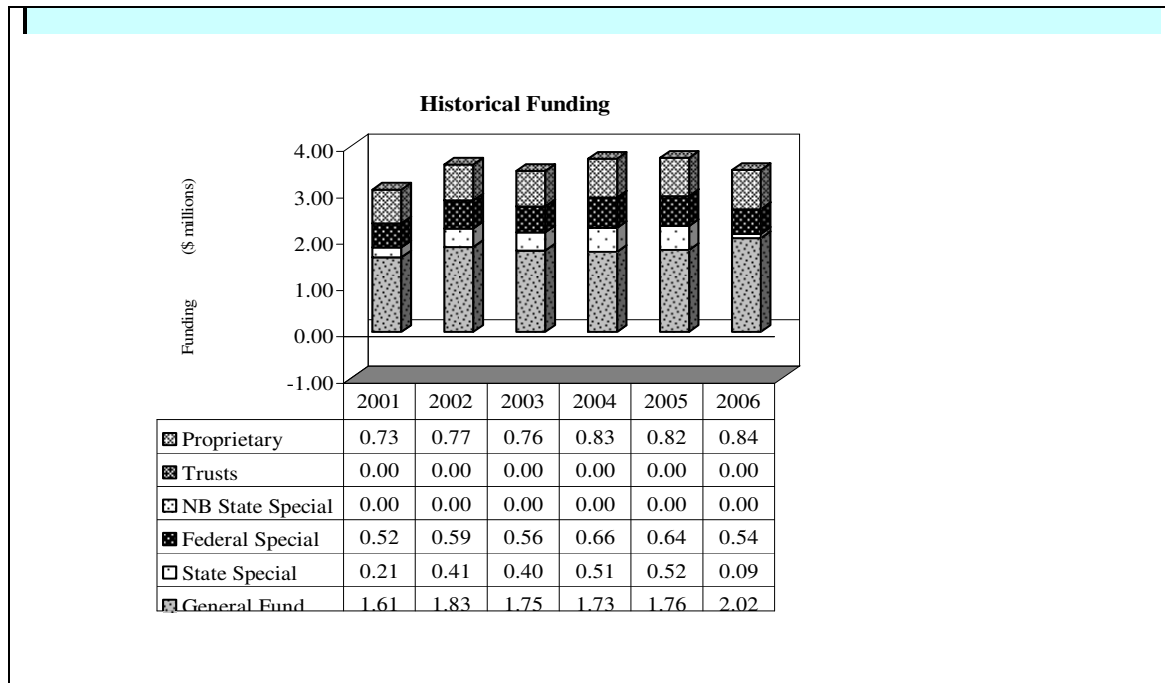


FY 2006 First Level Expenditures



The above information does not include administrative appropriations. The department had administrative appropriation authority in the amount of \$38,325, of which \$10,504 was expended in fiscal year 2006. The administrative appropriations were received from the Montana Arts Council to fund activities in conjunction with HB 9, and from Department of Commerce to fund the NENUK exhibit. Administration appropriations for the Lewis and Clark Commission are not included. Departmental indirect charges are also not included as expenditures or revenues in the above tables.

The following figures show funding and expenditures from FY 2001 through FY 2006, for HB2 funding.



There were no significant changes in revenues and expenditures between fiscal years 01 and 06.

2007 BIENNIUM NEW PROGRAM IMPLEMENTATION AND PROGRAM EXPANSION

Program Expansion

The Society's Library/Research Program did have an expansion project related to the hiring of the 2 FTE which funded by the 2005 legislature. Please refer to Library/Research Program for detail information.

FTE

The legislature approved appropriations for an additional 2.75 FTE in the 2007 Biennium. The following figure shows the positions and hire dates for the new FTE.

2007 Biennium FTE Hire Dates	FTE	Date
State records archivist	1	9/05
State records archivist	1	9/05
Entrance Fee Cashier	.75	5/05

CORRECTIVE ACTION PLANS

The Society had eight legislative audit recommendations and associated corrective action plans in place during the 2005 biennium. The auditors' recommendations and the Society actions are summarized below.

Audit Recommendation #1: Recover indirect costs to the fullest extent possible in accordance with state law.

Society corrective action plan: The Society will comply with the indirect allocations requirement per state law. The Society is in the process of evaluating the indirect cost calculation process.

Audit Recommendation #1A: Notify and receive approval from the Office of Budget and Program Planning prior to accepting grants that limit the Society's ability to recover indirect costs as required by state law.

Society corrective action plan: The Society will notify and seek approval from Office of Budget and Program Planning in the future if a grant limits the amount of recoverable indirects allowed.

Audit Recommendation #2: We recommend the Society minimize the time between the draw of federal funds and their disbursement for federal program purposes as required by federal regulations.

Society corrective action plan: The Society monitors the cash flow daily and requests draws when cash is minimal or depleted.

Audit Recommendation #3: We recommend the Society analyze its federal special revenue fund accounts as required by state accounting policy and correct identified errors.

Society corrective action plan: The Society will analyze its federal special revenue fund accounts, resolve identified errors, and implement policies and procedures to record federal revenue in accordance with state accounting policy. Issue identified by Society staff in 2005 and issue was resolved at that time. No issues identified in 2006.

Audit Recommendation #4: We recommend the Commission distribute Lewis & Clark license plate revenue proceeds to entities and organizations that meet the criteria established by the Commission in accordance with state law.

Society corrective action plan: The Lewis & Clark Bicentennial Commission is administratively attached to the Society. However, the Commission Board (slated to sunset December 31, 2007) established the criteria for the use of the Lewis & Clark Bicentennial License Plates and oversaw the activities of the Commission employees and events, which included the Lewis & Clark Legacy Campaign. Other than having a seat on the Commission Board, the Society did not have a controlling interest to influence decisions or activities performed by the Commission.

Audit Recommendation #5 : We recommend the Society record the inter-entity loan to finance the bronze relief in the Montana State Senate chambers on the accounting records in accordance with state law.

Society corrective action plan: The Society will record an inter-entity loan in accordance with state law.

Audit Recommendation #6: We recommend the Society comply with its policies governing the management and control of its collections and follow its monitoring procedures to ensure all artifacts are properly controlled.

Society corrective action plan: A budget proposal has been approved to include 1.3 FTE registrar positions to the Museum program.

Audit Recommendation #7A: Record activity on the accounting records in the proper fund in accordance with state law.

Society corrective action plan: The Society has enterprise funds established in several programs within the Society, including the Historical Society Management Fund, which is set up within the Administrative Program. Fees collected for Museum admittance and Lobby rentals are recorded to this enterprise fund. Since the administrative fees were charged only to non-general funded entities that were administratively attached to the Society, we felt this was an appropriate place to record administrative fees. Since the Society will no longer charge administrative fees to these entities, this issue is resolved.

Audit Recommendation #7B: Maintain support for the administrative fees charged to programs within the Society.

Society corrective action plan: The Society will no longer charge an administrative fee to the Original Governor's Mansion; the Lewis and Clark Commission will sunset on December 31, 2006; and the Montana Heritage Project is now defunct .

Audit Recommendation #8A: Record revenue and expenditure activity within the proper revenue and expenditure classification on the accounting records.

Society corrective action plan: The Society receives Accommodations Tax revenues. The Department of Commerce receives a legislative appropriation for the Accommodation Tax with instructions to transfer a portion to the Society. Each month, Commerce would transfer the funds via an interunit journal and the Society would complete the coding, using a revenue code compatible with the initiating agency's code. The Society has contacted the Department of Administration requesting clarification. Effective July 1, 2006, the Department of Administration has instructed Department of Commerce and the Society to record the transactions as Transfer Out and Transfer In on an interunit journal.

Audit Recommendation #8B: Recognize federal grant revenue when it is earned.

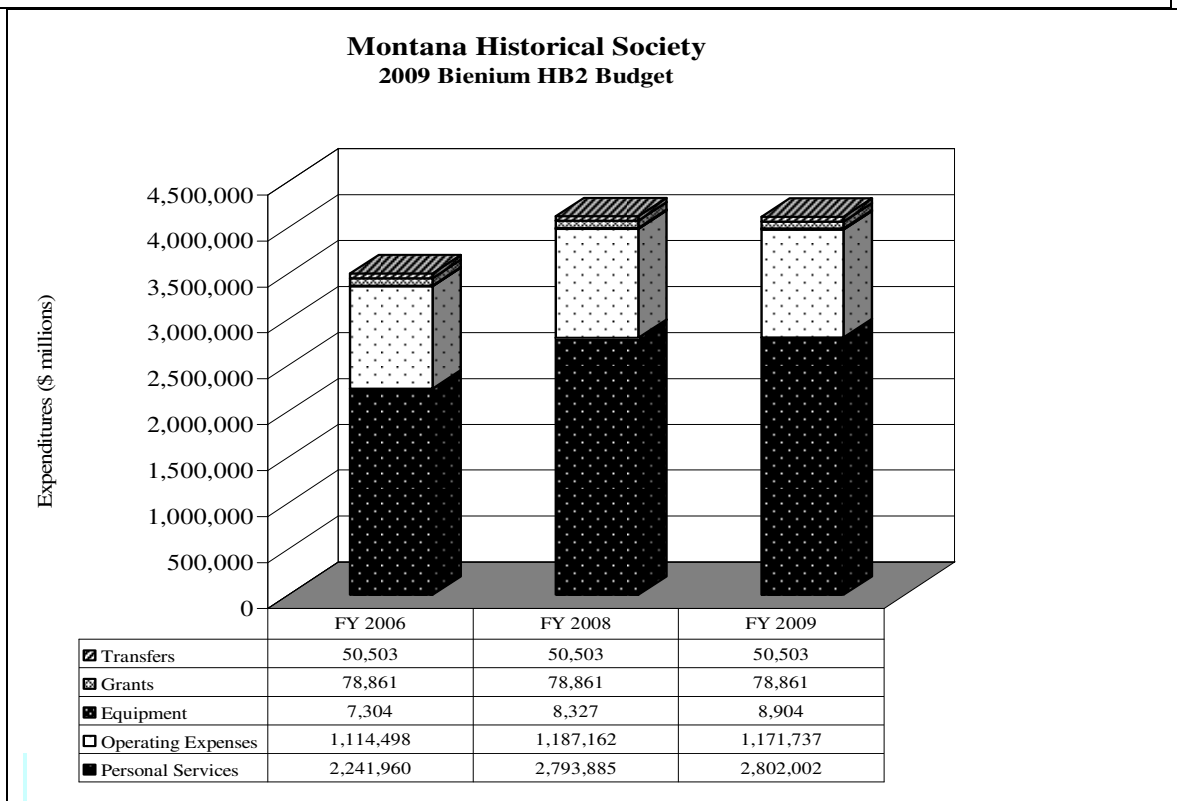
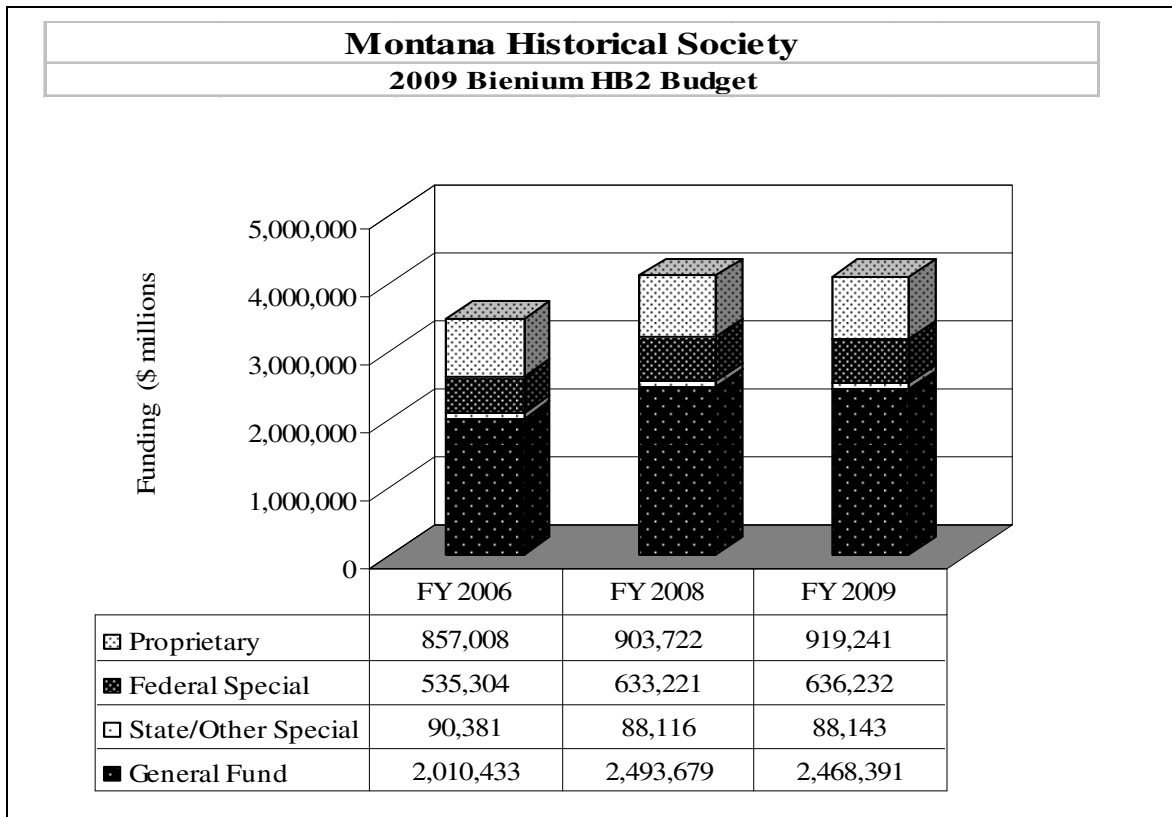
Society corrective action plan : MHS initiated this change effective July 1, 2006.

Audit Recommendation #8C: Enter all activity related to credit card transactions at the Society on the accounting records in accordance with state accounting policies and procedures.

Society corrective action plan: MHS initiated this change effective July 1, 2006.

2009 BIENNIUM BUDGET

The following figures show the proposed HB 2 budget for the 2009 biennium.



Goals and Measurable Objectives

The following figure shows the department base year and budgeted biennium goals and performance measures that are associated with the proposed 2009 biennium HB 2 budget.

Montana Historical Society Agency's Goals and Objectives		
Measurable Objectives for the 2009 Biennium		
Goal	Measurable Objectives	Current status of Measures
More frequent in-the-field services delivered to Montana communities and heritage groups, and more input on future of MHS gathered.	<ol style="list-style-type: none"> 1. Number of meetings, consultations, and professional workshops held around the state. 2. Attendance and participation in annual state history conference. 3. Usefulness of feedback for planning of future for MHS. 	<ol style="list-style-type: none"> 1. Town halls and discussion groups have met in eleven communities since October 2006. 2. Annual history conference being planned to involve greater grassroots participation.
More mission-related partnerships with other state agencies, with nonprofit groups, and with other levels of government.	Number of formalized partnerships that further the causes of heritage preservation and history education.	<ol style="list-style-type: none"> 1. Partnerships with Montana History Foundation, Montana Heritage Commission, Moss Mansion-Billings, Native American Advisory Council, OPI, Golden Triangle Educators, are in place. 2. International partnerships being explored with sister state of Kumamoto, Japan, and Alberta province, Canada.
Master planning of new facility and launching of fundraising campaign.	Completion of master plan by 12/31/07. Launching of capital and endowment campaign by 12/31/07	<ol style="list-style-type: none"> 1. Solicitation of architectural services underway. 2. Fundraising strategies being developed with partner foundation. 3. \$7.5 million in bonding authority in place from 2005 legislature.

BUDGET AND POLICY ISSUES

The following budget or policy issues are included in the Society budget submission to the Governor's Office.

- 1) computer replacement proposal to replace ¼ of the 65 computers;
- 2) add 1.3 FTE for registrar positions to the Museum program to aid in the processing of the Society's collection;
- 3) increase general fund support for the *Magazine of Western History*;
- 4) provide funding for .25 FTE, cost associated with State Antiquities Database housed on ITSD server, and funding for a statutory meeting for the National Register of Historical Places and State Heritage Properties Registry.

SIGNIFICANT ISSUES EXPANDED

The 2003 Legislative Session passed Senate Bill 195 that required the Montana Historical Society to commission a sculpture for the Senate chambers. The funding for the sculpture, as outlined in the bill, is to be secured by outside funding. The Society sold medallions and maquettes to partially finance the project. The Society and the Lewis and Clark Bicentennial Commission have used loans to cover the additional costs of producing, transporting, and lighting the sculpture. The repayment of loans will be from the Western Art Rendezvous event proceeds and from selling the remaining medallions and maquettes.

During the 2006 legislative audit an issue was identified concerning the indirect costs. The Society receives financial assistance in the form of a grant from the federal government to operate the State Historic Preservation Office. The Society had not been charging the appropriate amount of indirect costs for the federal grant received by the Society. The Society is in the process of re-evaluating the indirect cost allocation process.

During the previous two Legislative audits the Society had a recommendation concerning the control over historic treasures. Included in the Governor's budget proposal are 1.3 FTE registrar positions to address the Legislative audit recommendation. These positions will aid in the processing of the museum's collections and artifacts. There is a huge backlog of Museum collections to be catalogued (an estimated 35,000 items) as well as over approximately 1,000 new items added each year. We estimate the backlog (re-acquisitioned items or those not ever accessioned with a current registration number) would take 25 years to fully catalog (cataloging includes measurements, full description, condition assessment, material culture research, digitally photographing, etc.). This task cannot be done without the necessary resources infused to the Museum Collections Office for this purpose. The Museum has been requesting collections assistance in agency biennial budget planning for decades without success. The alternative is the approach we have been using – use current staff doing what they can to get the information into the system or seek temporary funding to assist us.

The Office of Budget and Program Planning did not include the increase in lodging facility use tax for the increase in the operating costs of the Scriver collection. Past legislatures have funded all costs for the Scriver collection. The Society would need approximately \$20,000 to cover the increase in costs.